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22 August 1956

MEMORANDUM FOR ASSISTANT DIRECTOR, RESEARCH AND REPORTS

SUBJECT: Clarification of Nuclear Warfare Concept for Economic Defense Policy Review.

REFERENCES: EDAC D-121, 3 August 1956, 2pp., Secret, paras 5 and 6.

1. In the drafting of recommendations for ultimate establishment by the CEPF of a new US economic defense policy, pursuant to referenced assignment, the EDAC Executive Committee appears to have reached a stage at which substantial agreement exists on the following:

- (a) The preservation of a multilateral basis for free-world economic defense measures ~~vis-a-vis~~ the (Sino-) Soviet Bloc, and
- (b) the rationalization and reorientation of all types of trade controls to reduce the capability of the (Sino-) Soviet Bloc to conduct nuclear warfare against the US and other free world countries.

2. The chairman of the EDAC Executive Committee has served notice to the CIA representative that this novel approach to strategic trade controls, and the support required for negotiating its acceptance multilaterally, make it incumbent upon the intelligence community to develop thought in the direction of

- (a) defining the "nuclear warfare" concept for trade control purposes;
- (b) developing criteria for relating given commodities, commodity groups, categories, or functional economic sectors as directly relevant to developing weapons and delivery systems and interception equipment for nuclear war; and
- (c) identifying tentatively and very roughly commodities or know-how to be placed under the new controls.

para 3 appears to be the sense of the EDAC Executive Committee which includes an endorsement of the feasibility and negotiability of the nuclear approach in its policy recommendations to EDAC in October. The endorsement of this approach in EDAC, and possibly in the CEPF near the end of October, would place at that time a heavy load of support requirements on CIA for the actual drafting of a new list. I therefore urge that you request at once ERA and OSI, with collaboration of ONE, to formulate a working answer to the inquiry in para 2 above. These offices also should be asked to report on their capability of rendering detailed intelligence support to negotiations subsequent to the adoption of the new US policy. The reorientation of "strategic" trade controls, which the Executive Committee is considering for the new policy, would place economic defense intelligence support requirements directly in line with present over-all intelligence research and collection priorities.

4. I suggest that DAD/RR be asked to

- (a) Coordinate and monitor the effort described in para 3, above;
- (b) report on the progress of the effort to the informal advisory group meetings which you are convening for the current economic defense policy review; and
- (c) issue such directives to the undersigned as may be necessary to provide guidance for handling of these support assignments in the EDAC Executive Committee.

In view of the experience of my branch in coordinating within CIA the marshalling of intelligence support for the economic defense program and in representing CIA in the appropriate inter-agency structures, I suggest that the E/C staff be used by DAD/RR for coordinating, and pointing up the results of, this support effort.

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